

INCOME TAX IS NEXT BIG GOVERNMENT DRIVE

The big income tax drive of 1919 is now under way, and every preparation is being made to handle the largest collection in the history of income tax.

"I am not waiting for the final passage of the new revenue bill by congress," said collector Franklin, "nor for new regulations and blank forms to be issued. To get this big tax in and get it accurate and complete, I urge that we all begin now."

"The income tax obligations imposed by old laws, as well as the measure now in congress, consist of two distinct operations. One is, to file and return a statement of all items of income and items of deductions allowable by law, and to do this within the period named in the law. The other is, to pay the tax, if any is due."

"When the new bill is enacted into law, I will have the proper return forms distributed throughout the District, and everybody will be informed of the date when the sworn return must be filed. It is my plan to send my men out to central locations, and to have them travel through the district, aiding taxpayers in the preparation of the returns and in deciding doubtful points. We will go right to the people with the income tax and with the co-operation which the people can give the government men, the returns will be filed by everybody who comes under the law's provisions, the right taxes will be paid, and the district will have done its full patriotic duty toward the government's support."

"Meanwhile, let me say again, there is no need delaying the preparation of these figures. Anything that congress does now will not affect the amount of a person's 1918 earnings. Let us avoid the belated throwing together of figures that may hit or miss. Guesses cannot be accepted as the basis of taxation. It is clearly the duty of every person to compile correct figures and ascertain whether his income for 1918 was sufficient to make necessary a sworn statement."

"The year 1918 was a banner year for salaries and wages, and the high war prices brought unusual profits to the average small tradesman and to the farmer. The opinion in Washington is that a million citizens and residents will make this year their first income tax returns."

"All signs indicate that the income tax this year will reach nearly every working man and woman, and nearly every merchant, shop keeper and farmer. Not all will have to pay the tax, but nearly all will be obliged to make a return of the year's income."

"I am therefore advising every unmarried person who earned \$1000 or over during the year 1918, and every married person, who together with wife or husband, earned \$2000 to collect all data as follows:

"He must ascertain accurately his gross income from all sources. There is his salary or wages, including overtime pay and any bonus received as additional compensation. A married person having children under 18 who are working should include the earnings of such children."

"If he sold any property at a profit, the gain must be computed and included in gross income. If he rented any property to other persons, the total rents received in the year must be ascertained and from that figure a deduction may be taken for taxes paid on rented property, the necessary minor repairs, fire insurance, any interest he may have paid on mortgage, and a reasonable allowance for annual wear and tear of the rented property. The balance is included in gross income for the year."

"Interest on bank deposits, whether withdrawn or added to his bank balance, must be included in all calculation of income. Bond interest received during the year must also be included, except interest on municipal, county or state bonds. Interest on United States bonds need not be included by the ordinary bond holder who purchased small amounts. Holders of large amounts of Liberty bonds however, should ask their bankers to write to my office for the rule applying to tax on such interest."

"Dividends on stock shares are income, and must be included in the gross figures, although the law does not impose the normal tax on distributions made by domestic corporations."

"A person buying and selling merchandise must file his profits for the year on the following basis: First, ascertain the gross sales or total cash receipts. Then add together the inventory at the beginning of the year and the purchases of goods for resale. From this latter sum subtract the inventory of goods on hand at the year's end, and the result is the cost of the goods sold. This cost, plus necessary expenses incurred solely through conduct of the business, is to be deducted from the gross sales, and the result is the net earnings of the business."

"A professional man arrives at his professional income by ascertaining the total of fees for services and deducting therefrom all expenses connected directly and solely with his practice."

"A farmer must figure up all income derived from the sale or exchange of products during the year, whether such produce was raised on the farm or purchased and resold. He is allowed to deduct from this total his expenses of the year connected with the planting, cultivation, harvesting and marketing of the crop, or the care, feeding and marketing of livestock. He is not allowed to deduct the amount expended in 1918 in purchasing stock for resale; but when such stock is sold its cost is to be deducted from sale price in ascertaining the gain to be included in his return of income. The cost price of stock bought prior to 1917 cannot be deducted as in the case just cited, if such cost was included in the deduction made in the year of purchase."

"The farmer is not required to include in his income tax computation the value of farm produce consumed by himself and family. But in cases where he exchanges produce for merchandise, groceries, etc., the market value of the articles received in exchange must be included."

"All other items of income arising during the year through personal services, business or trades, through use of property or money, should be added into the gains for 1918."

"Everyone desires to know what income is exempt from tax. Gifts and bequests can be eliminated; also proceeds from life insurance received by the beneficiary of an insured person. A person who cashed in an endowment policy need report as income only that portion which exceeds the total of the premiums he paid in all years on that policy. Annuities are not taxable, unless the person received in the year payments which represent, when added to all prior payments on the annuity, an amount greater than the original cost of the annuity. Dividends on unexpired life insurance policies are not taxable income. But dividends on paid-up policies must be considered income. Alimony is not income to the recipient, nor is it an allowable deduction on the part of the person who pays."

"From the total of all items of income, there are certain deductions allowable by law. All interest paid on personal indebtedness and all taxes paid during the year are deductible, except Federal Income and Excess Profits taxes, inheritance taxes and assessments for local improvements, such as sidewalks, sewers, etc. Losses incurred in business or trade are allowable, also losses arising from fires, storms, shipwreck or other casualty, or from theft, in cases where such losses are not compensated for by insurance or otherwise. Losses incurred outside of a person's regular business are allowable to the extent of gains reported from similar transactions within the year. Debts due to the taxpayer actually ascertained to be worthless during the year are deductible."

"Depreciation on property used in a profession, in business or in farming is another item that may be claimed as a deduction. The storekeeper may claim depreciation on his fixtures, and on his delivery horses and wagons, but not on his stock held for sale. The professional man may claim similar deduction on his instruments; and, in the case of a physician who maintains a team or auto for making his calls on patients, reasonable depreciation may be claimed. The farmer may claim depreciation on his farm buildings, aside from his personal residence, also on his farm machinery, his work horses and farm work wagons. The theory of depreciation in connection with the Income Tax, is that wear and tear caused by use in earning income is a real expense in the earning of that income. The rate is determined by the number of years that the property would ordinarily be useful, and the cost of the property is the basis of the computation. If the property suffering depreciation was bought or acquired prior to March 1, 1913, the market value as of that date is used, instead of the cost, in figuring depreciation."

"Contributions or gifts actually made in 1918 to organizations operating exclusively for religious, charitable, scientific or educational purposes, and to societies for the prevention of cruelty to children or animals, may be deducted, to an amount not exceeding 15 per cent of the net income computed without the benefit of this deduction."

"After the total of all income is found, and the deductions allowable by law have been computed as an offset, the amount of income in excess of such deductions is the net income, which forms the basis of the assessment of tax."

"If every person in this district will examine his own 1918 income and his allowable deductions, in line with the data that I have given, he will know beyond doubt whether he must file his return when the blanks arrive. If he is single he must file if his net income was \$1000, or more, and this requirement is enforced whether or not he is the head of a family. If he is married, he must file his return if he has a net income, including that of his wife and minor children, of \$2000 or more."

"I want to emphasize the co-operation feature of the collection of the Income Tax this year. The policy of the Internal Revenue Bureau is to aid taxpayers to meet the require-

ment of the funds to be used in highway work. And it is beyond dispute that nothing contributes more to the development of a section, than a well planned and constructed system of roads; nothing which so tends to bring together the dweller of the town and his friend from the ranch and camp."

In the past, the Board of Trade, with indifferent support, has worked unflinchingly for the betterment of the town. It was the instigator of the move to secure for the town an additional quarter section of land adjoining the city park, as an addition to that park, which plan has been successfully carried out. This should be followed up by definite plans for the improvement of the entire park."

Last year, through the efforts of the Board, a competent band leader was brought to Flagstaff, and a creditable organization was built up, when the Nation's call to arms wrecked the project. This matter was could be taken up again to good advantage, a well trained band being of much advertising value to a town."

Several years ago, when a bond issue, for the purpose of buying the existing sewer system and extending it was proposed, the Board of Trade endorsed the plan, and actively worked for its success in the special election. Owing to the advanced prices of materials caused by the war, the amount voted was found to be insufficient for the work, and the town council now contemplates another special election to vote sufficient funds to complete the work. In this, as in all things for the good of the community, the Board of Trade will undoubtedly take an active part, to the end that Flagstaff may keep in the front rank as a sanitary modern town."

With a limited amount of funds at its disposal, the Board of Trade has consistently advertised the advantages of the town, the secretary having in the last year, answered hundreds of letters of inquiry, and mailed hundreds of pieces of advertising matter, setting forth the attractions of this vicinity."

Make up your mind now that you will enlist in the movement to make "our" town a cleaner town, and a more attractive place to live in. Start off right by joining the Board of Trade. Come Tuesday night and keep coming. Help with your personal interest and ideas. A team composed of the progressive citizens of Flagstaff, pulling together in a live community organization, will make our town grow, make business better, increase property values, and better living conditions for all of us."

JOIN THE BOARD OF TRADE.
ALEX. A. JOHNSTON,
Secretary.

NOTICE OF HEARING
PETITION.

In the Superior Court of the State of Arizona, in and for the County of Coconino.

In the Matter of the Estate of August Stevenson, Deceased.

Notice is hereby given that W. M. Nagiller has filed in this Court a certain document purporting to be the last Will and Testament of August Stevenson, Deceased, together with his petition praying that said document be admitted to probate in this Court as the last Will and Testament of said August Stevenson who, said petitioner alleges, is deceased, and that letters testamentary issue thereon to said petitioner W. M. Nagiller, and that same will be heard on Monday, the 27th day of January, A. D. 1919, at 10 o'clock in the forenoon of said day, at the court room of said Court, in the Court House, in the Town of Flagstaff, County of Coconino, State of Arizona, and all persons interested in said estate are notified then and there to appear and show cause, if any they have, why the prayer of said petitioner should not be granted.

CHAS. H. ADAMS, Clerk.
By MARGARET COMPTON,
Deputy Clerk.

Dated January 6th, 1919.
Jan. 10-17-24.

Finding the Blame.
"Can you keep a secret, Peggy?"
"I can; but it's just my luck to tell things to other girls who can't."

PERFECT CONFIDENCE
Flagstaff People Have Good Reason For Complete Reliance.

Do you know how—
To find relief from backache;
To correct distressing urinary ills;
To assist weak kidneys?
Many people in this vicinity know the way.

Have you used Doan's Kidney Pills; Have proved their worth in many tests.
Here's convincing testimony.
A. B. Chenoweth, retired real estate man, 607 N. First St., Phoenix, Ariz., says: "I will never go back on what I said in praise of Doan's Kidney Pills. I am always glad to endorse Doan's because they are the best kidney medicine on earth. For the last several years I have recommended them and I certainly wouldn't do so unless they were good. I still use Doan's Kidney Pills occasionally and although I am past eighty-five years old they keep my kidneys healthy and strong."

Price 60c, at all dealers. Don't simply ask for a kidney remedy—get Doan's Kidney Pills—the same that Mr. Chenoweth had. Foster-Milburn Co., Mfrs., Buffalo, N. Y.

FLAGSTAFF CHAMBER OF COMMERCE

(Continued from Page One)

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ments of the law, offering every helpful governmental function that will assist people to do their duty."

GREAT GAME IF YOU DON'T WEAKEN

The following good letter from a friend of years gone by, indicates that they don't only pass through but remember some of the people and places they meet up with. Sgt. Major Sharp was with The Sun a few years before the war, but seems not to have forgotten the time or place. He does not claim to have won the war, but at least was in a class all by himself. He writes:

Office Inspector General,
Tours, France, Dec. 23, '18.
Mr. F. S. Breen,
Flagstaff, Arizona.

Dear Sir:
When I ordered the first dozen copies of The Stars and Stripes sent to you quite some time ago I intended at the same time to include an order for the paper to be sent currently. Just before going into a Paris hospital for a slight operation, in closing up some small affairs, I found I hadn't sufficiently obeyed the impulse of the moment when the batch of copies was ordered. I did, however, put in the order about three months ago, per inclosed slip, and write this merely to say that, if you have not been receiving the paper regularly, put in a complaint to the circulation department.

I should say that for a newspaper publisher to be able to kick back on his own account as to irregularity of receipt of a newspaper, would be a comforting medium of reprisal.

While acting as a stenographer to the Base Commander in Columbus, N. M., while the American Punitive Expedition was in Mexico, I endeavored to enlist in the service, but was barred on account of two physical defects that could not be remedied by other than surgical means.

Since coming to France I have had these two operation performed, at intervals, and it was only on the 31st of October that I finally emerged from a Paris hospital and, through the kindly oversight of a friendly examining surgeon, got into the infantry by the skin of my teeth.

It appears, however, that, due to the still splendid spy system of the German government even at that time, my arrival to the aid and succor of the (other) allies was known almost immediately thereafter. You have heard of the result: On the 11th of November the armistice was formally declared. This left me high and wet in a replacement camp, quartered with other casualties in a former grain warehouse, doing interior guard duty, K. P., room orderly, guarding German prisoners and such peaceful pursuits as naturally galled the soul of a fierce fighting man just out of the hands of the surgeons.

I had intended to get transferred and assigned to service with the Stars and Stripes' circulation department, and had been assured by their circulation manager that this could be done. However, my qualification card showing that I alleged to have been a stenographer and clerical man, I was caught up in the swirl and swept into the Army Service Corps to be used in replacing men who had been wounded up front and later assigned to clerical duty in the Service of Supply, the latter being evacuated to the U. S.

Later, as the Inspector General's department had been calling lustily for clerical help composed of men who could take testimony at investigations and report conferences, I was again transferred, this time to the I. G. D., sent here, made a Battalion Sergeant Major, given a rather

strange looking hat cord and left to my own devices—one of these devices being a typewriter. When I enlisted in the service I had smiled at the prospect of never again having to make pot-hooks not yet round up letters into words, and words into sentences, and sentences into paragraphs, ad lib, nor herd with civilian clerks—outside of appearing, perhaps, in benefit performances for smell-shocked mess-sergeants. In the present circumstances, however, I am one of only two soldiers in an office with six field clerks and doing the same thing for some fifty-odd bucks a month for which I got \$125 in Paris.

However, I am quite content to remain here until spring. I have been studying French ever since arriving here, and am able to do some interpreting and translating as a part of my duties. The town of Tours is rather the nicest place I've been in—not excepting Paris, which, in war-times, isn't the place it was—or will be—in peace-times.

I am certain to be made a regimental sergeant major in a short time. This is absolutely necessary, if for no other reason than to get in on the extra baggage allowance, as I've accumulated about twice the weight in baggage I should—even also a considerable amount of flesh (my own).

Outside of Arizona and California I like France about as well as anywhere I've been. I rather expect that

after things get more settled on this side, there will be a grand influx of American commercial branch houses in Paris, and if all goes well, when I am discharged from the service, I want to look into the possibilities of engaging myself with one of them. In fact, if I am discharged in Paris, I will have to rustle steamer and car fare to get back to California.

I got the copy of The Sun while in the hospital, and spent an entire day, the first time I was up in bed, in reading it entire. When I had finished I had to think twice to recall my surroundings. I had spent several hours up in your country, thanks to the medium of The Sun, including the cattle brand directory.

I wanted to have The Spiker sent to you, but was never able to locate exactly its place of publication. This is a monthly put out by some engineer outfit.

With very best regards,
Sincerely,
R. S. SHARP.

Playing Safe.
"What would you say," asked the fair theosophist, "if I should tell you that I was born in Egypt three thousand years ago?"

"Why," said the young man addressed, "I should say you didn't look it."

Babbitt Brothers Trading Company

FLAGSTAFF, - ARIZONA

WHY PAY FANCY PRICES FOR TEA
WHEN YOU CAN BUY

If You
Like
BLACK
TEA
Ask for
TREE TEA
Ceylon

The Best on the
Market



If You
Like
GREEN
TEA
Ask for
TREE TEA
Japan

We Recommend
It

One Pound 16 oz. Full Weight 60c
Half Pound 8oz. Full Weight 30c

If it is not as We Recommend it We Will Gladly Return Your Money



YOU can't help cutting loose joyous remarks every time you flush your smokespot with Prince Albert—it hits you so fair and square. It's a scuttle full of jimmy pipe and cigarette makin' sunshine and as satisfying as it is delightful every hour of the twenty-four!

It's never too late to hop into the Prince Albert pleasure-pasture! For, P. A. is trigger-ready to give you more tobacco fun than you ever had in your smokecareer. That's because it has the quality.

Quick as you know Prince Albert you'll write it down that P. A. did not bite your tongue or parch your throat. And, it never will! For, our exclusive patented process cuts out bite and parch. Try it for what ails your tongue!

Toppy red bags, tidy red tins, handsome pound and half pound tin humidor—and that clever, practical pound crystal glass humidor with sponge moistener top that keeps the tobacco in such perfect condition.

R. J. Reynolds Tobacco Company, Winston-Salem, N. C.

For the invalid and the convalescent—Borden's Malted Milk—pleasantly palatable and highly nutritious. Insist on Borden's—always. In square packages only.

Borden's
THE IMPROVED
MALTED MILK